

BEFORE THE IDAHO STATE CONTRACTORS BOARD

In the Matter of the Registration of:)	
)	Case No. CON-2008-117
INLAND NORTHWEST)	
DEVELOPERS, LLC,)	FINAL ORDER
Registration No. RCE-22689,)	
)	
Respondent.)	

THIS MATTER is before the Board pursuant to Findings of Fact, Conclusions of Law and Recommended Order issued on October 27, 2009, by Paul S. Penland, the designated Hearing Officer in this case.

The Board, having independently reviewed the record and considered the Hearing Officer's Findings of Fact, Conclusions of Law, and Recommended Order and all other matters of record, and good cause appearing therefore, enters the following Order.

IT IS HEREBY ORDERED as follows:

1. Jurisdiction. Idaho Code § 54-5206 empowers the Board to administer the Idaho Contractor Registration Act codified at title 54, chapter 52, Idaho Code. In the course of administering the Act, the Board has jurisdiction over all registered and unregistered persons engaging in the business of, or acting in the capacity of, a contractor in the State of Idaho. *See* Idaho Code § 54-5204(3). The Board may discipline any person who violates the Act. *See* Idaho Code § 54-5215.

2. Findings of Fact and Conclusions of Law.

a. The Hearing Officer's Findings of Fact and Conclusions of Law are attached hereto as Exhibit A. They are adopted incorporated herein by this reference as the Board's findings of fact and conclusions of law.

b. The Board also finds as a mitigating circumstance, and based on Respondent's uncontested hearing testimony, that Respondent was not notified about the problems described in Exhibit A at pages 3-4, ¶ 4, until after this contested case was initiated months after Respondent's last work on the home, and that Respondent was

never given the opportunity to correct the problems.

c. The Board may impose discipline as specified in Idaho Code § 54-5215.

3. Discipline Imposed. Based on its findings and conclusions, the Board imposes the following discipline upon Respondent:

a. Respondent is fined Twenty-Five and No/100 Dollars (\$25.00). Respondent must pay this fine within sixty (60) days from the date of this Order.

b. Respondent must pay the fees and costs incurred by the Board to investigate and prosecute this matter. The amount of the fees and costs that Respondent must pay shall be determined as follows:

i. Within forty-five (45) days from the issuance of this Order, the State must file an affidavit, setting forth the fees and costs incurred to investigate and prosecute this matter.

ii. If Respondent objects to the fees and costs claimed by the State, then Respondent may, within thirty (30) days from the date on which the State serves its affidavit, file a written objection to those fees and costs and, if he desires, a written request for a hearing on the objection. If Respondent files a timely objection to the State's claimed fees and costs, then the Board will consider Respondent's objection in determining the amount of costs and fees that Respondent must pay. If, however, Respondent fails to file a timely objection, then the Respondent will have waived Respondent's ability to object, and Respondent must pay the total fee and cost amount set forth in the State's affidavit.

iii. Within ninety (90) days from the issuance of this Order: (a) if Respondent filed a timely objection, then Respondent must pay the total fee and cost amount as determined by the Board; or (b) if Respondent did not file a timely objection, then Respondent must pay the total fee and cost amount set forth in the State's affidavit.

4. Due Process Rights. This is a final order of the Board. Accordingly:

a. Any party may file a motion for reconsideration of this final order within fourteen (14) days of the issuance of this order. The Board will dispose of the petition for reconsideration within twenty-one (21) days of its receipt, or the petition will be considered denied by operation of law. *See Idaho Code § 67-5246(4).*

b. Pursuant to Idaho Code §§ 67-5270 and 67-5272, any party aggrieved by this final order or orders previously issued in this case may appeal this final order and all previously issued orders in this case to district court by filing a petition in the district court of the county in which: (i) a hearing was held; (ii) the final agency action was taken; (iii) the party seeking review of the order resides, or operates its principal place of business in Idaho; or (iv) the real property or personal property, if any, that was the subject of the agency action is located.

c. Any appeal must be filed within twenty-eight (28) days of: (i) the issuance of this final order; (ii) the issuance of an order denying a petition for reconsideration; or (iii) the failure within twenty-one (21) days to grant or deny a petition for reconsideration, whichever is later. *See Idaho Code § 67-5273.* The filing of an appeal to district court does not itself stay the effectiveness or enforcement of the order under appeal.

5. Service of Order. The Bureau Chief of the Bureau of Occupational Licenses shall cause a true and correct copy of this Final Order to be served upon the Respondent and the State's attorney by mailing a copy to them at their respective addresses, as provided.

DATED this 3rd day of March, 2010.

IDAHO STATE CONTRACTORS BOARD

By


Anthony Hughes, Chair

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 4th day of March, 2010, I caused to be served a true and correct copy of the foregoing by the following method to:

Inland Northwest Developers, LLC
Lee Ramsey, Manager
36 Blackthorne Rd.
Oldtown, ID 83822

- ☒ U.S. Mail
- ☐ Hand Delivery
- ☒ Certified Mail, Return Receipt Requested
- ☐ Overnight Mail
- ☐ Facsimile: _____
- ☐ Statehouse Mail

Karin Magnelli
Deputy Attorney General
P.O. Box 83720
Boise, ID 83720-0010

- ☐ U.S. Mail
- ☐ Hand Delivery
- ☐ Certified Mail, Return Receipt Requested
- ☐ Overnight Mail
- ☐ Facsimile: _____
- ☒ Statehouse Mail



Tana Cory, Bureau Chief

Paul S. Penland (ISB #1884)
 PENLAND LAW OFFICE, CHARTERED
 348 S. Golden Eagle Lane
 P.O. Box 1567
 Eagle, Idaho 83616
 Telephone (208) 343-8200
 Fax (208) 621-0225

Hearing Officer
 for Idaho State Contractors Board

**BEFORE THE CONTRACTORS BOARD
 STATE OF IDAHO**

In the Matter of the License of:)	
)	Case No. CON-2008-117
INLAND NORTHWEST DEVELOPERS, LLC)	
Registration No., RCE-22689)	FINDINGS OF FACT,
)	CONCLUSIONS OF LAW
)	AND RECOMMENDED ORDER
Respondent.)	
_____)	

The Idaho State Contractors Board (the "Board") is empowered by title 54, chapter 52, Idaho Code, to regulate the practice of contracting in the State of Idaho.

INTRODUCTION

This matter came before the Hearing Officer for hearing on October 8, 2009, upon a Notice of Hearing and Amended Notice of Hearing issued by Paul S. Penland, the Hearing Officer appointed by the Board. Respondent Inland Northwest Developers, LLC ("Inland") appeared through Lee Ramsey, its Manager. Karin Magnelli, Deputy Attorney General, appeared representing the Board of Contractors. At the hearing, Ramsey, on behalf of Inland, and Magnelli, on behalf the Board, stipulated that they had actual knowledge of the hearing that was to be held on October 8, 2009, and the issues that were to be addressed. Further, Ramsey admitted having received a copy of the Complaint filed with the Board on or about March 9, 2009. Further, Ramsey made admissions with respect to the allegations of the Complaint as

further addressed herein below. Inland did not offer any exhibits but made admissions through Ramsey, and testimonial evidence was offered by Ramsey. Based upon the admissions by Inland, the Board did not offer any exhibits or testimony.

FINDINGS OF FACT

1. Inland was registered with the Board under Registration No. RCE-22689 to engage in the practice of contracting. Inland's registration expired on July 19, 2008, and its registration was canceled as of July 20, 2008. Inland has not renewed its registration; however, pursuant to Idaho Code § 67-2614, Respondent retains the right to renew its registration for up to five (5) years after cancellation by paying the required fees.

2. On July 31, 2007, Inland signed an agreement with Scott Hanson and Heidi Hanson to build a 2,600+/- square foot house for \$98,200. The agreement stated that "[a]ll aspects of the house will be built to industry standards and code." The agreement did not provide Inland's contractor registration number.

3. At the time the contract was entered into, Ramsey was married to Scott Hanson's mother. Thus, Scott Hanson was his stepson and Heidi Hanson was his step daughter-in-law. It was the plan that Scott and Heidi Hanson would do, and the Hearing Officer finds that they did do, much of the work on the construction of the residence. During the course of the construction, Ramsey divorced the mother of Scott Hanson and, on the date the divorce became final, Inland was "fired" from the job and was not allowed to complete it. At the time Inland was fired, it was owed money for work on the project and for materials that it had purchased, which were left on the site when it was "fired." Inland filed a lien on the property where the residence was being constructed.

4. In January 2008 Scott Hanson and Heidi Hanson hired a certified building inspector to inspect the partially completed structure. The inspector found the following problems with Inland's work:

a. Footings at the walkout side of the building at basement level do not meet minimum depth of 24".

b. Basement walls were only 6" thick instead of 8" thick.

c. Wall sheathing extending 3" to 4" below slab level along the side of the building was completely under water because of dirt and water runoff and will require a retaining wall.

d. Insufficient nailing at exterior wall sheathing and windows.

e. Inland did not follow design plans most notably where overhangs and eaves were 12" and 6" respectively and not the planned 24".

f. 2 x 6 sub-fascia were not installed to trusses, eaves, or gable end overhangs; the use of 7-8d siding nails for fascia does not provide sufficient nailing strength to trusses; and there was insufficient backing for soffit application.

g. There was insufficient and no nailing of headers for windows and doors; no insulation in center of box header; and some headers not properly built or finished at exterior walls and interior doorways were perpendicular to trusses.

h. There was insufficient nailing to plywood flooring.

i. Two framed exterior wall corners did not comply with a 3-stud corner application.

j. There was no wall framing that extended to trusses in living room area.

k. There was a shortage of anchor bolts at top of concrete foundation; a minimum of 2 bolts is required for each piece of mud sill plate; and spacing of bolts from corners to joists did not meet code requirements.

l. There were no joist hangers at stairway opening headers.

m. The main center beam in the basement was not pocketed into walls which secures beam position; posts/studs in contact with concrete do not meet codes that require water damage resistant treated lumber.

n. Center posts beneath the beam were undersized at 4" x 4" instead of 6" x 6" and did not have sufficient minimum bearing of 3" at beam joints.

o. There were no visible anchor bolts at the exterior wall at basement level; nails are not sufficient for hold down and lateral shift requirements.

p. Exterior wall headers at basement windows and doors do not meet minimum size requirements to support floor, wall and roof loads.

5. After this proceeding was initiated, Inland was made aware of the inspector's findings, but it did not return to the residence to correct the problems.

6. Inland's actions as described above constitute violations of the laws governing the practice of contracting, specifically Idaho Code §§ 54-5214(2) (a contractor shall prominently display his contractor registration number on advertising, contracts, permits, etc.), 54-5215(2)(a) (a contractor shall not violate the Contractor Registration Act), and 54-5215(2)(h) (a contractor shall not fail to meet the generally accepted standard of care in the practice of construction).

7. Inland is no longer engaged in the business of contracting, and it is defunct. Inland had no money to hire an attorney to defend itself against the allegations made herein. Ramsey is now an employee of Jerry Douglas who does business as Corrosion Solutions and works digging ditches. At the time of the hearing, he was working in Washington and agreed to

the hearing being conducted by telephone because he did not have the money to return to Idaho to participate personally. His financial situation is "day to day," and he is attempting to avoid filing bankruptcy. Ramsey asserts that he does not intend to work as a contractor in the future. The Hearing Officer finds the testimony of Ramsey to be forthright and credible.

CONCLUSIONS OF LAW

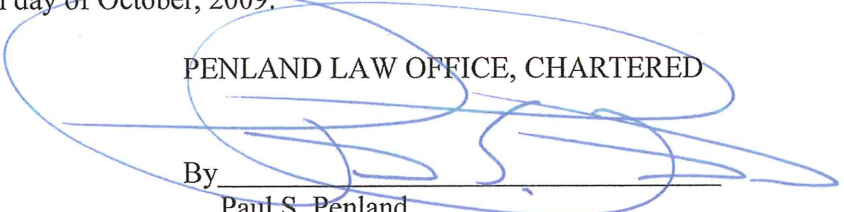
1. The Board has jurisdiction over this matter and over Inland.
2. Inland allowed its license to expire and has not renewed the same, although it retains the right to renew its license for up to five (5) years pursuant to Idaho Code § 67-2614.
3. Inland's actions with respect to entering into a contract for the construction of a residence for the Hansons, which did not contain its contractor's license number, constituted a violation of Idaho Code § 54-5214(2) -- a contractor shall prominently display his contractor registration number on advertising, contracts, permits. . . .
4. Inland's actions with respect to the construction of the Hanson residence did not comply with generally accepted standards of care in the construction industry, and constituted a violation of Idaho Code § 54-5215(2)(h) -- a contractor shall not fail to meet the generally accepted standard of care. . . .
5. The Board has the discretion to take disciplinary action against Inland for the violations identified in paragraphs 3 and 4 of these Conclusions of Law.
6. The Hearing Officer finds that Inland's mitigation evidence was credible and warrants consideration by the Board in its determination of the sanction to be imposed.
7. In this case, the Board should determine the sanctions which it believes to be appropriate for Inland's conduct.

RECOMMENDED ORDER

Based upon the foregoing, the Hearing Officer recommends that the Board issue a disciplinary sanction which it, in its discretion under the circumstances presented herein, believes to be an appropriate sanction for Inland's violations of Idaho Code §§ 54-5214(2) and § 54-5215(2)(h).

Dated this 27th day of October, 2009.

PENLAND LAW OFFICE, CHARTERED

By 
Paul S. Penland
Hearing Officer

CERTIFICATE OF MAILING

I, the undersigned, certify that on the 27th day of October, 2009, I caused a true and correct copy of the foregoing to be forwarded with all required charges prepaid, by the method(s) indicated below, to the following person(s):

Inland Northwest Developers. LLC
Lee Ramsey, Manager
36 Blackthorne Rd.
Oldtown, Idaho 83822
Lcramsey28@gmail.com

Hand Delivery	_____
U.S. Mail	<u> X </u>
Facsimile	_____
Overnight Mail	_____
Email	_____
Certified Mail RRR	<u> X </u>

Karin Magnelli
Deputy Attorney General
PO Box 83720
Boise, ID 83720-0010
Facsimile: 208-854-8073
cc Leslie Gottsch

Hand Delivery	_____
U.S. Mail	_____
Facsimile	_____
Overnight Mail	_____
Email	<u> X </u>
Email	<u> X </u>

Marcie McGinty
Bureau of Occupational Licensing
PO Box 83720
Boise, Idaho 83720

Mail	<u> X </u>
------	--------------


Paul S. Penland